

Message Text

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ACTION EB-11

INFO OCT-01 NEA-10 ISO-00 CIAE-00 COME-00 DODE-00 FMC-04

INR-10 NSAE-00 RSC-01 CG-00 COA-02 DLOS-06 LAB-06

SIL-01 PM-07 H-03 L-03 NSC-10 PA-04 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 DRC-01 /152 W

----- 121226

R 310440Z OCT 73

FM AMCONSUL KARACHI

TO SECSTATE WASHDC 7622

INFO AMEMBASSY ANKARA

AMCONSUL BOMBAY

AMEMBASSY ISLAMABAD

AMEMBASSY KABUL

AMCONSUL LAHORE

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ANKARA FOR REGIONAL LABOR ATTACHE

E.O. 11652: N/A

TAGS: ETRN, PK

SUBJECT: KARACHI PORT INEFFICIENCIES AND INCREASE IN
PORT DETENTION SURCHARGE

REF: STATE 209891 (NOTAL); KARACHI 1022

BEGIN SUMMARY: SINCE TRANSMISSION KARACHI REFTEL IN
JUNE 1973 INEFFICIENCIES AND CONSEQUENT DELAYS AT KARACHI
PORT HAVE, CONTRARY TO EARLIER FAIRLY OPTIMISTIC PREDICTIONS
OF KARACHI PORT TRUST OFFICIALS, INCREASED ALONG WITH
INCREASING INDISCIPLINE AND SLOWDOWNS OF PORT
WORKERS. INABILITY KPT AND STEVEDORING FIRMS TO CONTROL
DOCK WORKERS FOLLOWING INSTITUTION OF GOP SPONSORED SCHEME
TO "DECASUALIZE" PORT LABOR IN JULY '72 IS AT ROOT OF
CONTINUING KARACHI PORT INEFFICIENCIES, ALTHOUGH BARGE AND
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RAILWAY FREIGHT CAR SHORTAGE PQIS INCREASED PORT TONNAGES

HAVE CONTRIBUTED TO INCREASED WAITING TIME. ALTHOUGH GOP AT MINISTERIAL LEVEL NOW APPEARS BELATEDLY TO BE IMPRESSED WITH SERIOUSNESS OF LABOR PROBLEM AND NECESSITY FOR TAKING POLITICALLY DIFFICULT MEASURES TO INCREASE LABOR PRODUCTIVITY, PROGNOSIS FOR INCREASED PORT EFFICIENCY OVER NEAR TERM IS NOT GOOD. OPPOSITION OF PORT LABOR UNIONS TO INTRODUCTION OF TONNAGE NORMS WHICH NOW BEING URGENTLY CONSIDERED COULD RESULT IN STRIKE AND PORT SHUTDOWN FOLLOWING 15 MONTHS OF CONFUSION AND DETERIORATION FROM PREVIOUS HIGH EFFICIENCY OF KARACHI PORT. AT PRESENT 46 SHIPS WAITING OFF PORT OR REGISTERED FOR DISCHARGE. WAITING TIME TO UNLOAD ABOUT THREE WEEKS WITH PROSPECTS FOR GREATER DELAYS OVER NEAR TERM. END SUMMARY.

1. BACKGROUND: COMING TO POWER OF BHUTTO GOVERNMENT IN DECEMBER 1971 WAS FOLLOWED BY INFLUX MANY NEW UNSKILLED, LARGELY PATHAN, WORKERS INTO KARACHI PORT. IN JULY 1972 FORMER SYSTEM OF CARGO HANDLING BASED ON GANGS EMPLOYED AND SUPERVISED BY HATCH AND DOCK FOREMEN (SERANGS AND TINDALS) WAS ABOLISHED. (UNDER OLD SYSTEM SERANGS AND TINDALS HIRED WORKERS PARTLY ON BASIS TRADITIONAL CASTE OR FAMILY TIES, CONTROLLED THEIR GANGS EFFECTIVELY AND WERE RESPONSIBLE TO STEVEDORING COMPANIES FOR MOVING OF EXPECTED TONNAGE PER SHIFT.) OLD SYSTEM NO DOUBT ALLOWED CERTAIN CLIQUES PORT WORKERS GAIN HIGHER INCOMES THAN OTHERS AND DID NOT SPREAD WORK EVENLY THROUGHOUT PORT WHERE LABOR SURPLUS NOW EXISTS.

2. IN ORDER REDUCE THESE INEQUALITIES, AMELIORATE CONDITIONS FOR WORKERS AND REDUCE CONTROL OF STEVEDORING FIRMS, GOP INSTITUTED "DECASUALIZATION" OF PORT LABOR IN JULY 1972, WHICH PUT ALL PORT WORKERS ON SINGLE ROSTER FROM WHICH HIRING IN ROTATION WAS MANDATORY. "DECASUALIZATION" ELIMINATED POWER TINDALS AND SERANGS TO HIRE AND FIRE, WHICH IN TURN LED ALMOST IMMEDIATELY TO DETERIORATION LABOR DISCIPLINE IN KARACHI PORT AND GREAT FALL-OFF IN WORKER PRODUCTIVITY. PRODUCTIVITY HAS ALSO DECREASED THROUGH INFLUX NEW AND CKEXPERIENCED WORKERS INTO JOBS REQUIRING SKILL AND TEAMWORK, AND THROUGH SQUABBLES OF SEVERAL RIVAL FACTIONS IN PORT LABOR UNION MOVEMENT. STEVEDORING FIRMS HAVE VEHEMENTLY COMPLAINED OF THEIR INABILITY OVER LAST LIMITED OFFICIAL USE

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15 MONTHS MAINTAIN MINIMUM WORKER DISCIPLINE, COMPANY FOREMEN HAVE BEEN PHYSICALLY THREATENED, AND ARE OFTEN UNABLE PREVENT OPEN PILFERAGE.

3. ALTHOUGH SOME IMPROVEMENT MAY HAVE BEEN REGISTERED AT TIME OF FORMATION TRIPARTITE DOCK LABOR BOARD IN NOVEMBER 1972, SEVERAL STEVEDORING FIRMS BELIEVE SITUATION IN PORT IS NOW AT ITS VERY WORST SINCE "DECASUALIZATION."

THEY STATE DLB COULD BE EFFECTIVE ORGANIZATION, BUT HAS NO "TEETH" TO ENFORCE DECISIONS. CURRENT MONTH OF RAMAZAN FASTING HAS REDUCED LABOR EFFICIENCY EVEN FURTHER. HEAD ONE STEVEDORING FIRM CLAIMS DOCK WORKER PRODUCTIVITY LESS THAN HALF WHAT IT SHOULD BE AND THAT HIS FIRM FACED WITH THEFT, LAWLESSNESS AND "COLOSSAL DAMAGE" TO CARGO FROM UNSKILLED AND CARELESS WORKERS. ANOTHER STEVEDORING FIRM ESTIMATED ONLY 30 TONS OF GENERAL CARGO BEING WORKED BY 14 MEN SHIFT WHERE 70 TONS HAD BEEN AVERAGE IN 1970-71. TIGER

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SIL-01 PM-07 H-03 L-03 NSC-10 PA-04 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 DRC-01 /152 W
----- 121377

R 310440Z OCT 73
FM AMCONSUL KARACHI
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INFO AMEMBASSY ANKARA
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4. TRAFFIC MANAGER, KARACHI PORT TRUST, DURING TALK WITH CONGENOFF, ALSO MADE NO ATTEMPT CONCEAL PRESENT PORT INEFFICIENCIES AND ESTIMATED PORT WORKER PRODUCTIVITY ABOUT HALF WHAT IT SHOULD BE. ALTHOUGH TRAFFIC MANAGER ESTIMATES AVERAGE WAITING TIME FOR BERTHING NOW 15 TO 17 DAYS, STEVEDORING FIRMS BELIEVE ACTUAL TIME NOW CLOSER TO THREE WEEKS AND WILL PROBABLY BECOME WORSE IN VIEW OF CURRENT INCREASE IN NUMBER OF SHIPS WAITING OUTSIDE PORT. AS OF

OCTOBER 29 46 SHIPS WERE EITHER WAITING OFF PORT OR HAD ARRIVED, REGISTERED FOR UNLOADING AND THEN SAILED OFF TO NEIGHBORING PORT TO DISCHARGE AND RETURN. ABOUT 40 SHIPS CURRENTLY IN PORT, MANY DOUBLE-BERTHED TO UNLOAD INTO BARGES. STEVEDORING FIRM SHOWED CONGENOFF KPT PORT SITUATION SHEET WHICH INDICATED NINE SHIPS LOADED WITH 94,000 TONS FERTILIZER NOW WAITING OUTSIDE FOR DISCHARGE. DEMURRAGE CHARGES UNDER THESE CONDITIONS NOW RPT NOW VERY GREAT.

5. KPT AND GOP MEASURES: ALTHOUGH FORMATION DOCK LABOR LIMITED OFFICIAL USE

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BOARD LAST NOVEMBER WAS STEP IN RIGHT DIRECTION, DLB STILL LACKS OFFICIAL GOP AUTHORITY TO SET WORK NORMS AND TAKE DISCIPLINARY ACTION AGAINST WORKERS IN PORT AREA. GOVERNMENT ORDINANCE GIVING REQUIRED AUTHORITY TO DLB HAS NOW BELATEDLY BEEN DRAFTED, APPROVED BY MINISTER OF LABOR AND IS REPORTED TO BE IN PROCESS OF REVIEW BY SECRETARY OF COMMUNICATIONS PRIOR TO SUBMISSION TO MINISTZ

OF COMMUNICATIONS AND PROBABLY PRIME MINISTER. WHAT HAS NOT YET BEEN FIXED AND IS STILL THE SUBJECT OF ALMOST DAILY PROLONGED MEETINGS BETWEEN STEVEDORING FIRMS AND KPT OFFICIALS AND UNION OFFICIALS, ARE THE TONNAGE HANDLING NORMS UNDER WHICH AHGCW WAGE SCALE BASED ON PRODUCTIVITY WOULD BE INSTITUTED AND ENFORCED BY DLB. UNDER PROPOSED SYSTEM ALL TONNAGES WORKED BEYOND FIXED NORM WOULD BE REWARDED BY PAYMENT OF DOUBLE WAGES BUT FAILURE TO REACH REQUIRED NORM DURING SHIFT WOULD BE LIKEWISE PENALIZED. STEVEDORING FIRMS WISH NORMS FIXED AT AVERAGE LEVELS INDICATED BY KPT RECORDS FOR TONNAGES WORKED DURING 1970-71, BUT LABOR UNIONS OPPOSED.

6. OUTLOOK FOR SHORT AND MEDIUM TERM: UNLESS AND UNTIL ORDINANCE PASSED GIVING POWERS TO DLB TO FIRE OR SUSPEND FOR INDISCIPLINE AND TO PAY ON PRODUCTIVITY BASIS, PROSPECTS FOR ANY IMPROVEMENT IN KARACHI PORT WILL REMAIN EXTREMELY DIM. IF DLB ORDINANCE FINALLY PROMULGATED DURING NEXT MONTH OR SO, AS WOULD APPEAR LIKELY IN VIEW UNFAVORABLE IHGACT WHICH KARACHI PORT CONGESTION NOW HAVING ON ECONOMY OF PAKISTAN, QUESTION THEN ARISES AS TO HOW KARACHI PORT WORKERS WILL REACT TO ITS APPLICATION. ALTHOUGH KPT OFFICIALS CLAIM UNIONUSOFFUHTALS IN FAVOR PRODUCTIVITY INCENTIVE PAYMENTS, STEVEDORING FIRMS LESS SANGUINE AND STATE CONFIDENTIALLY THAT KPT ITSELF PREPARING FOR POSSIBILITY PORT STRIKE AND SUBSEQUENT REORGANIZATION PORT CARGO HANDLING SYSTEM BACKED BY MILITARY FORCE BEFORE INCREASED PRODUCTIVITY CAN FINALLY BE ACHIEVED. (IN THIS CONNECTION ONE FIRM NOTED PORT WORKERS NOW TOTAL 8,200, WHEREAS ONLY 3,700 REYIRED ON AVERAGE AND MAXIMUM NUMBER DESIRABLE

WAS ONLY 4,500).

7. COMMENT: SPEED WITH WHICH KARACHI PORT RETURNS TO
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EFFICIENT OPERATION AFTER LAST 15 MONTHS POOR PERFORMANCE
WOULD APPEAR NOW TO REST ON RAPIDITY WITH WHICH GOP CAN
BRING ITSELF TO ENACT AND ENFORCE NECESSARY REGULATIONS.
SUCH REGULATIONS TO THE EXTENT THAT THEY PENALIZE LOW
PRODUCTIVITY OR RESULT IN THE DISCHARGE OF WORKERS, WILL BE
HIGHLY UNPOPULAR TO ORGANIZED LABOR, WHICH GOP, SINCE
INAUGURATION BHUTTO GOVERNMENT, HAS HANDLED RATHER GENTLY
IN MOST CASES.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR RELATIONS, PORT FACILITIES, TAXES, PRODUCTIVITY
Control Number: n/a
Copy: SINGLE
Draft Date: 31 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973KARACH02263
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: KARACHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973103/aaaaabqa.tel
Line Count: 241
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 209891 (NOTAL); KARACHI 1022
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 20 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20-Dec-2001 by shawdg>; APPROVED <10-Jan-2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KARACHI PORT INEFFICIENCIES AND INCREASE IN PORT DETENTION SURCHARGE
TAGS: ETRN, PK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005